

NEWS



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NO DEAL REACHED AFTER SEA DECLINES SUNNYVALE'S INCREASED WAGE OFFER & REVENUE BASED BONUS DURING TALKS TODAY

City Prepares to Maintain Essential Services During Likely Strike

SUNNYVALE, Calif. – Despite the City's willingness to increase its last, best, and final offer to Sunnyvale Employees' Association (SEA), SEA leaders declined to compromise and reach a tentative agreement. On the table was the City's additional offer of a generous signing bonus worth an average of nearly \$6,000 per employee. There are no scheduled negotiations and a strike is likely.

SEA agreed to meet with the City following a strike authorization vote April 25 and in response to a letter from the City urging the union to resume negotiations. SEA negotiated with the City for one year before declaring an impasse in June 2016 and leaving the bargaining table.

"When SEA reached out yesterday to meet with us, we were hopeful that we'd both be able to compromise and reach a tentative agreement," stated Sunnyvale Mayor Glenn Hendricks. "Unfortunately, despite the City's willingness to increase our already fair and reasonable offer, SEA declined to change their proposal and now remains on a path to strike that will only infringe on the health and safety of our residents."

The SEA is demanding a 17 percent wage hike and other benefits that would cost \$82 million more than the City proposal and likely result in layoffs and service cutbacks. This increase would be on top of a \$300 million hit to the City's budget to pay for reforms to the CalPERS pension system. The combined effect of these increased costs would severely impact City services and result in employee layoffs. Like many other California cities, Sunnyvale is expecting additional CalPERS reforms with steep costs to city budgets. Even without the City's offer, SEA members already average more than \$100,000 in wages and benefits, placing them at or above market average when compared to similar workers in neighboring communities.

The City's last, best and final offer to the SEA includes a 10 percent wage hike during the next 15 months, the continuation of a 30 percent employee pension contribution and

maintaining full health benefits. During today's meeting, in addition to the 10 percent wage increase, the City offered a one-time signing bonus of an average of \$6,000 per employee, plus a provision for a revenue based bonus. The signing bonus would make up most of the wages SEA members have forgone since the expiration of the last labor agreement in June 2015.

Despite promising public comments about their interest in negotiating an agreement, SEA leaders refused to move from their bargaining position and ended today's discussions without an agreement.

"We're obviously disappointed that we could not reach an agreement and will do everything we can to maintain essential services in the event of a strike," stated Mayor Hendricks. "We still have a fair and reasonable offer on the table that balances fiscal responsibility and competitive wages, in the face of needing to absorb \$300 million in new CalPERS costs."

The SEA represents a broad range of workers, including a number who play key roles in maintaining public health and safety. The City has sought a court injunction to prevent the disruption of these essential services, such as water treatment plant supervisors, water quality control chemists and public safety records specialists.

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